



United States
General Accounting Office
Washington, D.C. 20548

Office of Special Investigations

February 1, 1991

The Honorable William H. Webster
Director, Central Intelligence Agency
Washington, DC 20505

Dear Mr. Webster:

The U.S. General Accounting Office has received a request from Congressman Jack Brooks, Chairman of the Committee on the Judiciary, that deals with concerns "that foreign entities, both government and private, have concentrated espionage resources on critical segments of our high technology industry." Chairman Brooks believes "the intent behind these efforts is to steal U.S. trade secrets and other information which will give these entities an unfair competitive edge over American companies."

Chairman Brooks has specifically asked this office to contact the appropriate law enforcement and intelligence agencies with the goal of addressing the following questions:

1. To what extent is industrial spying a problem in this country and what vulnerabilities exist in U.S. industries?
2. What evidence is there that foreign spy elements are increasing their activities in the U.S., and what industries have been targeted?
3. What actions need to be taken by the Federal government, including Congress, to combat industrial spying activities?
4. How is industrial information about foreign companies currently obtained, accumulated/stored, and used?
5. Have there been any studies conducted which support the need for U.S. intelligence agencies getting involved in industrial spying?

6. What alternatives are there to this approach?
7. What precautions or controls should be considered to avoid potential abuses in the collection and distribution of this information?

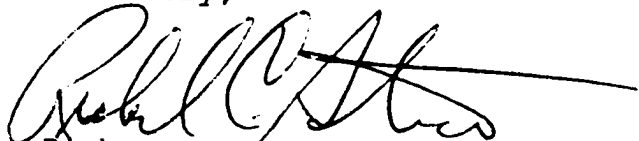
In the interest of providing you an opportunity to express an agency position on these questions, we welcome your participation and perspective whether by briefing or by written response. When responding to these questions, please refer to specific cases as examples of industrial or trade espionage.

Upon receiving your responses to these questions, we will need to meet with the appropriate agency officials to ask follow-up questions and discuss in more detail the effort your agency is making to address the questions raised in Congressman Brooks' letter. As you may know, past efforts to get cooperation from your agency have failed. Instead, members of your staff have referred the matter to the FBI and the Intelligence and Appropriations Committees of Congress. Chairman Brooks has asked us to contact you for a direct response to this office. Please respond by February 12, 1991, in order that we may brief the Chairman as soon as possible.

Since GAO/OSI has been commissioned by the committee to obtain this information, it would be appropriate to respond to GAO. If you decline to cooperate, I would appreciate your providing a full explanation of the legal basis for your decision.

Special Agent Robyn Stewart-Murray and Assistant Director Stephen Myerson are handling the request for this office. Should you have any questions regarding this request, they may be reached at (202) 272-5500. Your cooperation and assistance are most appreciated.

Sincerely,



Richard C. Stiener
Director

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